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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financing of the United Nations Interim Force in Lebanon

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/237 of 26 June 1998, appropriated an amount of $142,984,560 gross ($139,133,160 net) for the period.

Expenditures for the period totalled $134,655,200 gross ($131,048,500 net), resulting in an unencumbered balance of $8,329,300 gross ($8,084,600 net).

The unencumbered balance was due largely to actual troop strength being lower than budgeted, a high vacancy rate for civilian staff caused by the temporary assignment of experienced UNIFIL international staff to assist in other peacekeeping missions, savings under purchase of vehicles because of better unit cost rates, and receipt of other vehicles, equipment and supplies from the United Nations Logistics Base at Brindisi, Italy, and other peacekeeping missions, which reduced budgeted expenditures. The unencumbered balance was partially offset by additional requirements arising from the need to replace and upgrade the mission's computer hardware and software to ensure year 2000 compliance.

The action to be taken by the General Assembly in connection with the financing of the mission is a decision on the treatment of the unencumbered balance of $8,329,300 gross ($8,084,600 net) for the period from 1 July 1998 to 30 June 1999.

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I. Introduction

1. The United Nations Interim Force in Lebanon (UNIFIL) was established for an initial period of six months by the Security Council in its resolution 425 (1978) of 19 March 1978. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1254 (1999) of 30 July 1999, by which the Council extended the mandate of UNIFIL until 31 January 2000.

2. The budget for the maintenance of UNIFIL for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 25 February 1998 (A/52/806) and amounted to $136,719,500 gross ($132,706,000 net). It provided for maintenance of the Force, consisting of 4,513 troops (3,518 infantry and 995 logistical), supported by a civilian establishment of 528 (146 international and 382 Local level) posts. In the same report, the Secretary-General proposed a total of 49 additional posts, comprising 11 additional Local level posts in support of core functions of the mission and 38 for service personnel who were hired as local contractors on a temporary basis.

3. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 18 of its report of 6 April 1998 (A/52/860/Add.6), recommended that of the 49 posts requested, 11 posts providing core support functions be established as regular local posts and that 38 additional service personnel should continue as short-term contractual staff, with a consequential reduction of $887,600 in the proposed appropriation. On that basis, the Advisory Committee recommended that the General Assembly appropriate $135,831,900 gross for the period from 1 July 1998 to 30 June 1999.

4. The General Assembly, by its resolution 52/237 of 26 June 1998, appropriated $142,984,560 gross ($139,133,160 net) for the maintenance of UNIFIL for the period from 1 July 1998 to 30 June 1999, including $7,152,660 for the support account for peacekeeping operations. This amount has been assessed on Member States.

II. Implementation of the budget

5. Information on the operation of UNIFIL during the period under review is contained in the reports of the Secretary-General to the Security Council dated 16 July 1998 (S/1998/652), 19 January 1999 (S/1999/61) and 21 July 1999 (S/1999/807).

6. In response to an increase in the level of operational activity in the area of operations, with firings into and close to United Nations positions that resulted in death, injury and destruction of facilities and equipment, UNIFIL decided to construct a multi-function reinforced concrete building at position 6-27 in the Irish battalion area of operations, to seal and asphalt a number of access roads to isolated United Nations positions in the Nepalese and Finnish battalion areas of operations and to accelerate the phased programme for purchasing level-III fragmentation jackets. These unbudgeted expenditures were funded through the redeployment of funds under various other budget lines. The phased programme of multi-function reinforced concrete building construction, road sealing and fragmentation jacket purchases was also carried forward to the next financial period, 1 July 1999 to 30 June 2000.

7. Costs related to the unexpected repatriation of the Norwegian battalion and the replacement of the Indian battalion, which resulted in unbudgeted expenditures, were also met through the redeployment of funds.

8. The mission completed an inventory of all United Nations and contingent-owned equipment. UNIFIL took the opportunity of the battalion changeover to commence a phased replacement of military-pattern VHF radios with less expensive civilian radios, which is being continued. The network was installed, largely with surplus equipment from the United Nations Logistics Base at Brindisi, Italy, and coincided with the deployment of the Indian battalion.

9. In order to resolve continued difficulties in maintaining the operational reliability of the RG31 armoured personnel carriers, UNIFIL entered into a one-time maintenance support contract with the manufacturer's representative for 180 person-days. During this period, the fleet of 30 RG31 armoured personnel carriers received a full technical assessment on requirements for maintenance and modification. In addition, training was provided for drivers and mechanics.

10. Additional data-processing equipment was purchased to replace hardware and software that was not year 2000-compliant. New software applications were introduced (the field assets control system, Word and Excel), and a computer specialist contractor was hired to rewire and upgrade the local area network applications.

11. Savings were realized under rations because between the expiry of the old rations contract, which ended on 30 September 1998, and the time taken to undertake competitive bidding and to award the new rations contract on 1 February 1999 (which was actually in place on 1 April 1999), interim arrangements were made for the purchase of dry and frozen rations locally, as well as for the use of reserve stock rations. Savings under rental of premises were also realized owing to the reimbursement by the Government of Lebanon of the rental charge of $132,000 for UNIFIL House in Beirut for the reporting period. However, part of the overall unutilized balance under various categories of expenditure was used to fund the mission's share of financing the United Nations Logistics Base.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

12. As indicated in table 1 below, from the appropriation of $142,984,560 gross ($139,133,100 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $134,655,200 gross ($131,048,500 net), including $52,136,300 in unliquidated obligations. The resulting unencumbered balance of $8,329,300 gross ($8,084,600 net) represents, in gross terms, approximately 5.8 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances given in annex II. Annex IV contains a chart showing apportionment and expenditures by the main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	78 534.1	76 149.7	2 384.4
Civilian personnel	25 623.3	22 285.8	3 337.5
Operational requirements	27 840.1	24 274.6	3 565.5

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Other programmes	2.9	59.7	(56.8)
United Nations Logistics Base at Brindisi	-	1 146.0	(1 146.0)
Support account for peacekeeping operations	7 152.7	7 152.7	-
Staff assessment	3 831.4	3 586.7	244.7
Gross requirements	**142 984.5**	**134 655.2**	**8 329.3**
Income			
Staff assessment	(3 831.4)	(3 586.7)	(244.7)
Other	(20.0)	(20.0)	-
Subtotal	**(3 851.4)**	**(3 606.7)**	**(244.7)**
Net requirements	**139 133.1**	**131 048.5**	**8 084.6**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	132	132	-
Total resources	**143 116.5**	**134 787.2**	**8 329.3**

[a] Includes $52,136,300 in unliquidated obligations.

13. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 and annexes II and III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	-	-	-
Military contingents	4 513	4 499	-
Civilian police	-	-	-
International staff	146	125	14
Local staff	344	344	-
United Nations Volunteers	-	-	-

IV. Action to be taken by the General Assembly at its fifty-fourth session

14. **The action to be taken by the General Assembly in connection with the financing of UNIFIL is to decide on the treatment of the unencumbered balance of $8,329,300 gross ($8,084,600 net) for the period from 1 July 1998 to 30 June 1999.**

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) (1-3) Variance
I. Military personnel				
1. Military observers	-	-	-	-
2. Military contingents	77 516.0	-	75 131.6	2 384.4
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	18.1	-	18.1	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	1 000.0	-	1 000.0	-
Subtotal, line 3	**1 018.1**	**-**	**1 018.1**	**-**
Total, category I	**78 534.1**	**-**	**76 149.7**	**2 384.4**
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	25 623.3	-	22 285.8	3 337.5
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**25 623.3**	**-**	**22 285.8**	**3 337.5**
III. Operational requirements				
1. Premises/accommodation	2 941.5	1 504.6	2 866.5	75.0
2. Infrastructure repairs	-	-	-	-
3. Transport operations	14 937.1	4 127.4	11 273.6	3 663.5
4. Air operations	1 207.5	-	1 240.7	(33.2)
5. Naval operations	-	-	-	-
6. Communications	2 016.3	982.2	1 839.1	177.2
7. Other equipment	2 463.4	1 995.7	3 097.4	(634.0)
8. Supplies and services	3 942.3	-	3 517.3	425.0
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	332.0	-	440.0	(108.0)
Total, category III	**27 840.1**	**8 609.9**	**24 274.6**	**3 565.5**

	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) (1-3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	2.9	-	59.7	(56.8)
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**2.9**	-	**59.7**	**(56.8)**
V. United Nations Logistics Base at Brindisi	-	-	**1 146.0**	**(1 146.0)**
VI. Support account for peacekeeping operations	**7 152.7**	-	**7 152.7**	-
VII. Staff assessment	**3 831.4**	-	**3 586.7**	**244.7**
Gross requirements, categories I-VII	142 984.5	8 609.9	134 655.2	8 329.3
VIII. Income				
Staff assessment	(3 831.4)	-	(3 586.7)	(244.7)
Other	(20.0)	-	(20.0)	-
Total, category VIII	**(3 851.4)**	-	**(3 606.7)**	**(244.7)**
Net requirements, categories I-VIII	139 133.1	8 609.9	131 048.5	8 084.6
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	**132.0**	**132.0**	**132.0**	-
Total	**143 116.5**	**8 741.9**	**134 787.2**	**8 329.3**

[a] Based on appropriation provided by General Assembly resolution 52/237.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $78,534,100; expenditure: $76,149,700; variance: $2,384,400

1. The unutilized balance of $2,384,400 was attributable mainly to savings resulting from the lower actual costs for rations, as explained in paragraph 11 of the main report. Those savings were offset in part by additional requirements under emplacement, rotation and repatriation of troops to cover the unexpected cost of repatriating the Norwegian battalion and its replacement by the Indian battalion during the period under review.

Civilian personnel

Apportionment: $25,623,300; expenditure: $22,285,800; variance: $3,337,500

2. The unutilized balance of $3,337,500 under this heading was due to the vacancy rate of 14 per cent for international staff (as compared with the budgeted rate of 5 per cent) and was attributable to the temporary assignment of experienced UNIFIL international staff to other peacekeeping missions. This unutilized balance was offset in part by additional requirements under travel relating to unbudgeted travel of staff for contract negotiations for the dry and frozen food contract and participation in technical training conducted at the United Nations Logistics Base at Brindisi, Italy, for engineers and radio technicians.

Operational requirements

Apportionment: $27,840,100; expenditure: $24,274,600; variance: $3,565,500

3. The net unutilized balance of $3,565,500 under this heading resulted from reduced requirements under premises/accommodation ($75,000), transport operations ($3,663,500), communications ($177,200) and supplies and services ($425,000), which were offset in part by additional requirements under air operations ($33,200), other equipment ($634,000) and air and surface freight ($108,000).

Premises/accommodation

Apportionment: $2,941,500; expenditure: $2,866,500; variance: $75,000

4. The net unutilized balance was due largely to savings arising from reimbursement by the Government of Lebanon of the rental charges for UNIFIL House in Beirut and reduced requirements under maintenance supplies, some items of which were obtained from the United Nations Logistics Base. However, those savings were partially offset by additional requirements under maintenance services, utilities and construction/prefabricated buildings owing to the urgent need to asphalt and seal the access roads to isolated positions in the Finnish and Nepalese battalion areas of operation in order to improve security and access and the need to asphalt the storage facilities area at UNIFIL headquarters.

Transport operations

Apportionment: $14,937,100; expenditure: $11,273,600; variance: $3,663,500

5. The unutilized balance of $3,663,500 under this heading resulted largely from: (a) the transfer of 10 heavy vehicles and spare parts from United Nations Logistics Base; (b) a favourable unit cost of vehicles purchased compared to budgeted unit rates as a result of using a system contract; (c) favourable discounts received from some major spare parts suppliers; (d) payment of lower prices for diesel fuel, gasoline and kerosene; and (e) payment of lower vehicle insurance premiums for general-purpose vehicles.

Air operations

Apportionment: $1,207,500; expenditure: $1,240,700; variance: ($33,200)

6. The additional requirement under this heading was due mainly to a higher actual premium cost than budgeted for liability and war-risk insurance for helicopters.

Communications

Apportionment: $2,016,300; expenditure: $1,839,100; variance: $177,200

7. The net unutilized balance of $177,200 was attributable to: (a) the phased replacement of military-pattern VHF radios with civilian-pattern radios and the purchase of a smaller number of portable radio sets, common type 77; and (b) lower actual commercial communication costs as a result of obtaining more favourable rates from newly established companies in the commercial communication market during the reporting period.

Other equipment

Apportionment: $2,463,400; expenditure: $3,097,400; variance: ($634,000)

8. The net additional requirements of $634,000 under this heading were attributable to: (a) the unbudgeted purchase of computer hardware and software and upgrading of the local computer network to ensure year 2000 compliance; (b) the unforeseen replacement of the UNIFIL hospital's X-ray machine based on the recommendation of the United Nations medical unit; (c) purchase of certain medical items, furniture and catering equipment at favourable prices offered by the Norwegian battalion at the time of its repatriation; (d) urgent replacement of lighting for the helicopter pads, observation posts and checkpoints; and (e) replacement of mine detectors and air conditioners. The additional requirements were partially offset by savings under spare parts as a result of the receipt of items, including fire-fighting equipment, from the Logistics Base and the non-purchase of spare parts for air conditioners.

Supplies and services

Apportionment: $3,942,300; expenditure: $3,517,300; variance: $425,000

9. The net unutilized balance of $425,000 under this heading resulted mainly from the receipt of medical supplies, uniforms, flags and decals and miscellaneous items from the Logistics Base and savings derived from stringent controls and careful monitoring of warehouse stocks and holdings throughout UNIFIL for all the miscellaneous items under supplies and services. The unutilized balance was partially offset by additional requirements under stationery and office supplies and losses due to the revaluation of currencies and exchange transactions resulting from payments made in other currencies.

Air and surface freight

Apportionment: $332,000; expenditure: $440,000; variance: ($108,000)

10. The shortfall under this heading was due to the late cancellation of unliquidated obligations for which corrective action was taken in October 1999.

Other programmes

Training programmes

Apportionment: $2,900; expenditure: $59,700; variance: ($56,800)

11. Unbudgeted expenditures were incurred in connection with sending of UNIFIL technical, financial and managerial staff to participate in data-processing training at the Logistics Base, Sun accounting system training at Cyprus and Brindisi and negotiation skills training in Cyprus.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $1,146,000; variance: ($1,146,000)

12. The expenditure of $1,146,000 represents the prorated share of UNIFIL for the cost of maintaining the Logistics Base during the reporting period, in accordance with General Assembly resolution 52/1 B of 26 June 1998.

Staff assessment

Apportionment: $3,831,400; expenditure: $3,586,700; variance: $244,700

13. The unutilized balance of $244,700 was due mainly to the overall vacancy rate of 14 per cent in respect of international staff, which exceeded the anticipated overall vacancy rate of 5 per cent used in the original cost estimates for international staff.

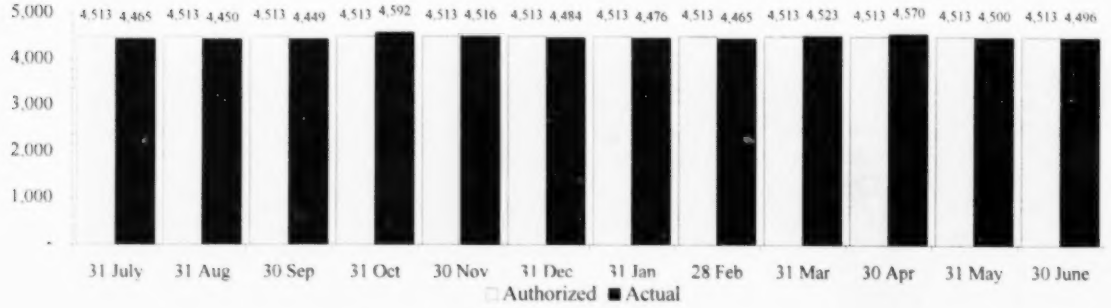
Income from staff assessment

14. This amount is derived from staff assessment (see para. 13).

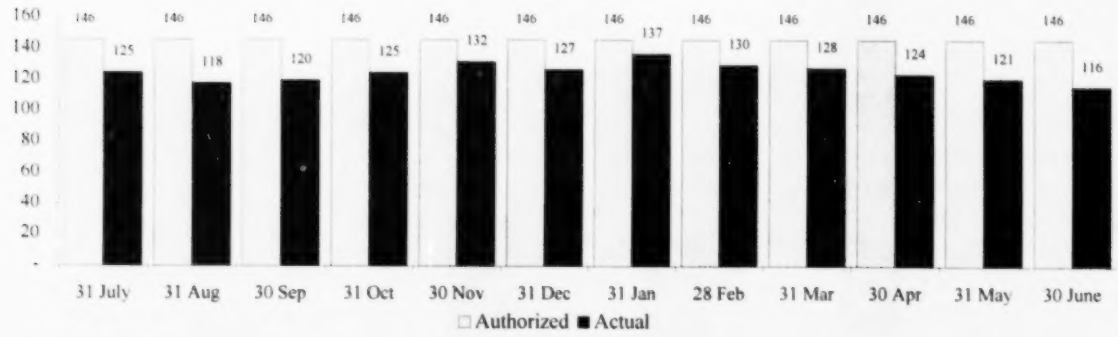
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

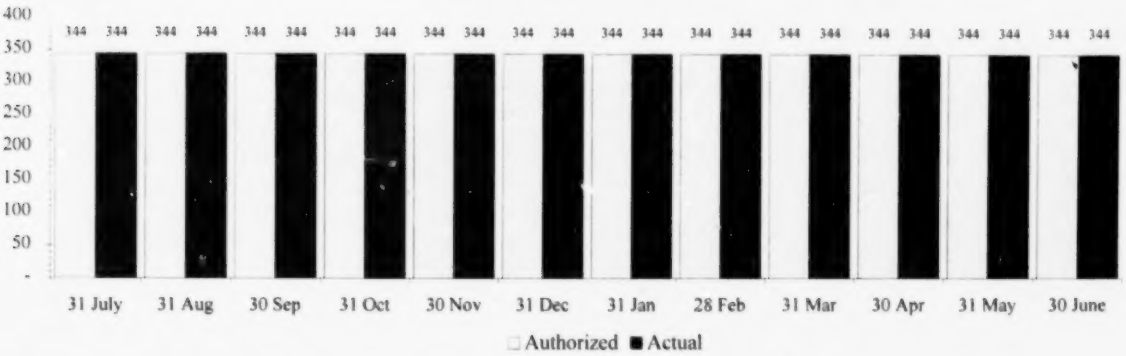
1. Military contingents



2. International staff



3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999